

NOTICE OF INVITATION TO APPLY FOR ELECTRONIC COMMUNICATIONS LICENCES

Licences for the purpose of providing telecommunication services within the 25.1–27.5 GHz spectrum

The Government of Finland invites applications for electronic communications licences for the purpose of providing telecommunication services within the 25.1–27.5 GHz spectrum. The invitation is issued in accordance with section 7 of Finland's Act on Electronic Communication Services (917/2014). The licences will be granted through an auction process as provided in section 11 of the Act.

An enterprise, organisation or association that wishes to take part in the auction must register at the Finnish Transport and Communications Agency Traficom by no later than 20 May 2020 in the manner specified in Regulation M 64 C of the Finnish Transport and Communications Agency Traficom.

Further information on the operating licences and the application procedure is available on the website of the Ministry of Transport and Communications at <https://valtioneuvosto.fi/hanke?tunnus=LVM045:00/2019> and on the Transport and Communications Agency website at <https://www.traficom.fi/fi/viestinta/viestintaverkot/taajuusalueen-26-ghz-huutokauppa>.

FURTHER INFORMATION ABOUT THE OPERATING LICENCES AND THE APPLICATION PROCEDURE

Licences for the purpose of providing telecommunication services within the 25.1–27.5 GHz spectrum

The Government of Finland invites applications for electronic communications licences for the purpose of providing telecommunication services within the 25.1–27.5 GHz spectrum. The invitation is issued in accordance with section 7 of Finland's Act on Electronic Communication Services (917/2014). The licences will be issued pursuant to the procedure specified in section 11 of the Act on Electronic Communication Services and in the Government Decree on Radio Spectrum Auctions within the 25.1–27.5 GHz Spectrum (202/2020), hereinafter the Auction Decree. Further provisions on the auction procedure are issued in Regulation M 64 C of the Finnish Transport and Communications Agency Traficom. The licences will be issued based on the outcome of the auction.

The aims of the licences to be issued include, as provided in section 1 of the Act, fostering the supply and use of services in communications networks and securing the efficient use of radio frequencies. The licences aim to facilitate the introduction of next generation mobile technology 5G in Finland and improve the quality and capacity of high-speed wireless broadband connections.

Provisions on the spectrum that the licences concern are laid down in section 9 of the Government Decree on Radio Frequency Usage and the Frequency Plan (1246/2014 and 201/2020). The Transport and Communications Agency will grant the licence holder a frequency reservation pursuant to sections 41 and 45 of the Act on Electronic Communication Services. The Transport and Communications Agency will also grant the licence holder a radio licence pursuant to section 40 of the Act after the operator has paid the first instalment of the licence fee. In accordance with section 42 of the Act, a radio licence granted by the Transport and Communications Agency may include terms and conditions for the frequency band usage. The Transport and Communications Agency may alter the radio licence terms, if the requirements laid down in section 47 of the Act are met.

The auction is scheduled to begin on 8 June 2020. It will be arranged by the Transport and Communications Agency. Under section 13 of the Act on Electronic Communication Services, a corporate group may participate in the auction through one of its enterprises only. No cooperation concerning the auction is allowed between parties participating in the auction. An enterprise, organisation or an association that wishes to take part in the auction must register at the Finnish Transport and Communications Agency by no later than 20 May 2020 in the manner specified in Regulation M 64 C of the Finnish Transport and Communications Agency. Such an enterprise, organisation or an association shall also pay the EUR 40,000 participation fee as laid down in section 286 of the Act on Electronic Communication Services and section 5 of the Auction Decree.

In accordance with section 2 of the Auction Decree, three 800 MHz frequency bands will be auctioned within the 25.1–27.5 GHz spectrum. An enterprise, organisation or associa-

tion may be allocated a maximum of one 800 MHz frequency band. An enterprise, organisation or association will be granted a licence that covers the frequency band for which it has made the highest valid bid.

Restrictions on the spectrum usage will be imposed in the relevant operating licences. The restrictions are based on the Commission implementing decision (EU) 2019/784. Within the spectrum of 25.5–27.0 GHz, preparations must be made to appropriately protect individual earth stations of the earth exploration satellite services and space research services and, within the spectrum of 23.6–24.0 GHz, individual radio astronomy stations. Appropriate preparations must also be made against interference caused by transmissions of individual earth stations in fixed satellite services within the 25.1–25.25 GHz spectrum. No such stations are currently in use in Finland. In the event of such use, the required terms of protection shall be determined on a case-by-case basis in the terms of the radio licence and in the Radio Spectrum Regulation of the Finnish Transport and Communications Agency.

Under section 4 of the Auction Decree, the starting price in the auction is EUR 7 million per each 800 MHz frequency band.

Under section 11 of the Act on Electronic Communication Services, the Transport and Communications Agency announces the auction concluded after the bidding round during which no new bids have been placed for any frequency band. The highest valid bid placed for each frequency band at the conclusion of the auction wins the auction. After the auction has been completed, the Transport and Communications Agency will inform the Ministry of Transport and Communications of the outcome of the auction.

Pursuant to section 11 of the Act on Electronic Communication Services, the Government will grant a licence that will be valid until 31 December 2033. The licences to be granted will cover the whole of Finland excluding the Region of Åland.

Operations referred to in the licence may be launched on 1 July 2020.

The licence holder is required to begin operations under the licence within two years of the beginning of the licence period, unless the Government, following the licence holder's application, provides otherwise due to technical advancements or the general economic situation.

The licence holder should advise its subscribers in matters related to the licence terms and conditions, such as network coverage, and publicise information about them in an adequate and appropriate manner.

A telecom operator that has been granted a licence pursuant to section 11 of the Act on Electronic Communication Services is liable to pay the licence fee provided in section 287 of the Act. The licence fee is the highest valid bid as provided in section 11 of the Act. According to section 6 of the Auction Decree, the licence fee shall be paid in five annual equal instalments starting from the granting of the licence. An obligation to pay the fee is stipulated by the Transport and Communications Agency.

The licence holder must also pay the fees specified in the Decree of the Ministry of Transport and Communications on Spectrum Fees and Other Charges for Radio Management Duties of the Finnish Transport and Communications Agency (1454/2019).

The licence holder may transfer the licence to another operator as provided in section 18 of the Act on Electronic Communication Services. A licence transfer may apply to only a part of the frequencies covered by the licence. Under section 20 of the Act, the licence holder may, on approval by the Government, lease the right to use the frequencies specified in the licence to another operator.

In accordance with section 14 of the Act, the name of the enterprise, organisation or association signed up for the auction as well as other registration information are not accessible to the public before the conclusion of the auction process. The winning bids will be disclosed after the auction process has been concluded, while other bids remain confidential. During the auction the Transport and Communications Agency may, however, issue the total amount in EUR of the bids placed on each round. The bidders are also provided with the information on the number of bids made for the frequencies and the amount of the highest bid in EUR.

Inquiries:

For further information on signing up for the auction, the auction procedure and participation fees, please contact Senior Specialist Jan Engelberg at the Transport and Communications Agency (firstname.lastname@traficom.fi).

For further information on the terms and conditions of the operating licences and the granting of licences, please contact Senior Ministerial Adviser Kaisa Laitinen at the Ministry of Transport and Communications (firstname.lastname@lvm.fi).